

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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**HOUSE BILL 1027
Committee Substitute Favorable 6/26/07**

Short Title: Yadkin County Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 27, 2007

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE YADKIN COUNTY TO LEVY A ROOM OCCUPANCY
2 TAX.
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Board of
6 Commissioners of Yadkin County may levy a room occupancy tax of up to three
7 percent (3%) of the gross receipts derived from the rental of any room, lodging, or
8 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
9 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
10 This tax is in addition to any State or local sales tax. This tax does not apply to
11 accommodations furnished by nonprofit charitable, educational, or religious
12 organizations when furnished in furtherance of their nonprofit purpose.

13 **SECTION 1.(b)** Administration. – A tax levied under this section shall be
14 levied, administered, collected, and repealed as provided in G.S. 153A-155. The
15 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

16 **SECTION 1.(c)** Definitions. – The following definitions apply in this act:

- 17 (1) Net proceeds. – Gross proceeds less the cost to the county of
18 administering and collecting the tax, as determined by the finance
19 officer, not to exceed three percent (3%) of the first five hundred
20 thousand dollars (\$500,000) of gross proceeds collected each year and
21 one percent (1%) of the remaining gross proceeds collected each year.
- 22 (2) Promote travel and tourism. – To advertise or market an area or
23 activity, publish and distribute pamphlets and other materials, conduct
24 market research, or engage in similar promotional activities that attract
25 tourists or business travelers to the area. The term includes
26 administrative expenses incurred in engaging in the listed activities.
- 27 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
28 the Yadkin County Tourism Development Authority, are designed to
29 increase the use of lodging facilities, meeting facilities, or convention

1 facilities in the county or to attract tourists or business travelers to the
2 county. The term includes tourism-related capital expenditures.

3 **SECTION 1.(d)** Distribution and Use of Tax Revenue. – Yadkin County
4 shall, on a quarterly basis, remit to the Jonesville Tourism Development Authority the
5 net proceeds of the occupancy tax authorized under this section and collected within the
6 Town of Jonesville. The Jonesville Tourism Development Authority shall use at least
7 two-thirds of the funds remitted to it under this subsection to promote travel and tourism
8 in the Town of Jonesville and shall use the remainder for tourism-related expenditures.
9 If the town has not created a tourism development authority in accordance with Section
10 2 of S.L. 2002-95, the county must hold in trust the net proceeds of the room occupancy
11 tax collected from accommodations in the Town of Jonesville until the town does so.

12 Yadkin County shall, on a quarterly basis, remit the remaining net proceeds
13 of the occupancy tax to the Yadkin County Tourism Development Authority. The
14 Yadkin County Tourism Development Authority shall use at least two-thirds of the
15 funds remitted to it under this subsection to promote travel and tourism in Yadkin
16 County and shall use the remainder for tourism-related expenditures.

17 **SECTION 2.** Yadkin County Tourism Development Authority. – (a)
18 Appointment and Membership. – When the Board of Commissioners adopts a resolution
19 levying a room occupancy tax under this act, it shall also adopt a resolution creating the
20 Yadkin County Tourism Development Authority, which shall be a public authority
21 under the Local Government Budget and Fiscal Control Act. The resolution adopted by
22 the Board of Commissioners shall provide for the membership of the Authority,
23 including the members' terms of office, and for the filling of vacancies on the Authority.
24 At least one-third of the members shall be individuals who are affiliated with businesses
25 that collect the tax in the county, and at least one-half of the members shall be
26 individuals who are currently active in the promotion of travel and tourism in the
27 county. The Board of Commissioners shall designate one member of the Authority as
28 chair and shall determine the compensation, if any, to be paid to members of the
29 Authority.

30 The Authority shall meet at the call of the chair and shall adopt rules of
31 procedure to govern its meetings. The Finance Officer for Yadkin County shall be the
32 ex officio finance officer of the Authority.

33 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of
34 the tax levied under this act for the purposes provided in Section 1 of this act. The
35 Authority shall promote travel, tourism, and conventions in the county, sponsor
36 tourist-related events and activities in the county, and finance tourist-related capital
37 projects in the county.

38 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the
39 close of the fiscal year to the Yadkin County Board of Commissioners on its receipts
40 and expenditures for the preceding quarter and for the year in such detail as the Board of
41 Commissioners may require.

42 **SECTION 3.** Administrative provisions. – G.S. 153A-155(g) reads as
43 rewritten:

1 "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,
2 Cabarrus, Camden, Carteret, Chowan, Clay, Craven, Cumberland, Currituck, Dare,
3 Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin, Montgomery,
4 Nash, New Hanover, New Hanover County District U, Pasquotank, Pender, Person,
5 Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly, Transylvania, Tyrrell,
6 Vance, ~~and Washington~~ Washington, and Yadkin Counties, to Watauga County District
7 U, and to the Township of Averagesboro in Harnett County."

8 **SECTION 4.** This act is effective when it becomes law.